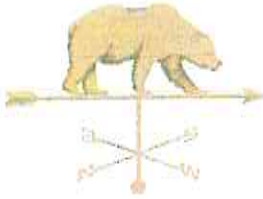


“F”

## Applicant's Proposed Project Revisions

Maxville Lake Winery P17-00225-MOD & Conservation Regulations  
Exception P18-00189  
Planning Commission Hearing September 5, 2018



# MAXVILLE LAKE Winery, Inc.

4105 Chiles Pope Valley Road Saint Helena, CA 94574  
www.maxvillelakewines.com

RECEIVED

AUG 09 2018

Napa County Planning, Building  
& Environmental Services

August 9, 2018

Anne Cottrell, Chair  
Napa County Planning Commission  
1195 Third Street, suite 210  
Napa, CA. 94559

Re: Maxville Lake Winery Application #P17-00225

Dear Chair Cottrell:

Thank you very much for the comments that you and the other commissioners provided at the August 1, 2018 meeting. While not the result we had hoped for on August 1<sup>st</sup>, the continuance provides an opportunity to review our short and long term objectives for the property. In hindsight, a lot of information was presented at the August 1<sup>st</sup> meeting, some of which was a bit confusing. We apologize for any confusion and very much appreciate the opportunity to provide some additional information and clarification on:

- Grape sources for our production increase and
- The proposed marketing events.

## Grape Sources

The commission requested clarification relating to grapes sources for the requested production increase. Part of the confusion was the discrepancy between the staff report and the information presented by Mr. Redding on August 1<sup>st</sup>. We understand the commissioner's interest in more closely matching grape availability with the production increase that we requested.

We remain committed to our original goal, as we believe that adequate grape sources from our estate vineyards and contracted growers are available to fill out our production goals. We of course are very willing to work with staff and the commission on appropriate production levels for our project. In support of our request, we asked our vineyard manager, Paul Garvey to prepare some information for you on current grape yields, acreage, potential planting and replanting program here at Maxville Lake. His analysis is attached as Exhibit A. In addition, Paul can provide the commission with information at the next hearing on non-estate grape availability both locally and countywide. Finally we have included information in Exhibit B on fruit purchased in 2016-2017. The table below summarizes the information presented in those exhibits

TABLE 1—Current Grape Sources

Vineyard Location	Estimated Tons	Gallons
<b>Napa County Fruit Sources</b>		
Maxville Lake	604 <sup>1</sup>	99,660 <sup>2</sup>
Napa	279	46,035
<b>Total Napa County Fruit</b>	<b>883</b>	<b>145,695</b>
<b>Non-Napa Fruit Sources</b>		
Lake County	58	9,570
Mendocino County	10	1,650
Sonoma County	46	7,590
<b>Total Non-Napa Fruit</b>	<b>114</b>	<b>18,810</b>
<b>Current/Projected Tons Available</b>	<b>997</b>	<b>164,505</b>

Table 2--Estimated Tons Required for Requested Production (240,000 gpy)

Total Tons Required	Napa County Fruit	Non-Napa County Fruit
1,456	1,091	365

Table 3—Current Supply (Tons) vs. Required Supply for Requested Production (Tons)

	Napa County Fruit	Non-county Fruit
Available Supply	883	114
Tons Required for Requested Production	1,091	365
Shortfall	208	251

<sup>1</sup> Represents 2018 production (239 tons) and future production at the Maxville Lake Winery estate by 2024 as a result of replanting of existing blocks and initial plant of areas less than 5% slope.

<sup>2</sup> While yields within the various vineyard blocks is variable, gallonage calculations are based on 5 tons/acre at full production and 165 gallons per ton

In summary, grapes from Maxville Lake Winery together with other Napa County sources can supply approximately 883 tons of Napa County fruit. Napa County fruit sources can supply 81% of the requested volume under the 75% rule. . The recently reviewed Castlevale Winery was approved with identified vineyards accounting for only 60% of its anticipated production Paul Garvey's presentation is evidence that additional Napa County fruit will be available as a result of the cyclical replanting program currently under way.

We hope that we have demonstrated that sufficient Napa County and out of county fruit is available to meet the goals of our business plan. We also believe strongly that as the number of vineyard acres increases in the Chiles Valley AVA (currently 1000 acres in vine) that local growers will seek out local wineries to process their fruit.

### **Marketing Plan**

As was noted at the recent hearing, we have partnered with Terlato Wines to handle marketing and distribution within the United States. In addition to its U.S. market, MLW enjoys an expanding export market in China. The marketing and visitation plan was designed to address these both these outlets for Maxville Lake Wines. Rather than requesting a daily and weekly visitation levels commensurate with wineries of comparable production, MLW chose to emphasize group tours as:

1. Allows us to employ shuttle buses/service to reduce traffic impacts;
2. Many overseas visitors utilize tour groups rather than individual vehicles;
3. Marketing to larger groups allows us to get our 'message' across to more potential consumers at one time;
4. Allows for a more comprehensive presentation about our wines than during daily visitations;
5. Allows more emphasis on wine and food pairings as marketing events typically include food service;
6. Allows more efficient staffing levels

While emphasizing marketing program at the winery rather than relying on smaller groups makes sense given the unique property and its location, the number of marketing event visitors has to 'make sense' to the commissioners, and from an impact and equity point of view as well.

Our technical experts carefully evaluated the potential impacts of the proposed marketing program on traffic, water, wastewater and parking. We have attached our proposed traffic mitigation plan as Exhibit D. That said we understand that the commission too must also feel comfortable with its content. Accordingly, we propose to revise the marketing plan reviewed by the commission on August 1<sup>st</sup> as follows:

#### August 1<sup>st</sup> Proposal

Eight (8) events/month for 30 guests  
Two (2) events/month for 95 guests  
Six (6) events/year for 100 guests  
Two (2) wine auction-related events/year for 75 guests

Total number of events annually:           128

Annual Marketing Event Visitors: 9,150

Revised Proposal

- Three (3) events/month for 30 guests
- Two (2) events/month for 75 guests
- Six (6) events/year for 95 guests
- Two (2) wine auction-related events/year for 75 guests

Total Number of events annually: 68  
 Annual marketing events visitors: 3,520

After reviewing the proposed marketing plan following the August 1<sup>st</sup> meeting, it was clear to us that some adjustment is necessary. And the commissions' comments that perhaps we should 'road test' the marketing plan and the ability to return to the commission in the future as well as the comments from Ms. Gallina that some of our marketing events visitors would 'fit' under the daily visitor limitation convinced us to tailor our marketing plan more in line with wineries that bear the closest resemblance to us in terms of location from the list of comparable wineries identified in attachment 'L' to the staff report.

Reviewing the list of comparable wineries in attachment 'L' we believe the two wineries that are most comparable to Maxville Lake Winery in terms of location and production are Bouchaine Vineyards and Liana Estates Winery (formerly Acacia Winery). Table 4 compares the revised marketing and visitation program with these two wineries:

Table 4—Winery Comparison Chart<sup>3</sup>

Winery Name	Production (gpy)	Daily Visitors	Weekly Visitors	Annual Number of Marketing Events	Annual Marketing Event Visitors	Annual Visitors
Bouchaine Vineyards	225,000	250	1,150	136	7,770	52,720
Liana Estate Winery	250,000	75	525	63	3,612	30,987
Maxville Lake Winery (8/1)	240,000	25	325	128	9,150	26,050
Maxville Lake Winery (rev)	240,000	25	325	68	3,520	4,820

<sup>3</sup> Data from Winery Comparison Analysis—Attachment 'L', PBES Staff Report Dated 8/1/18. Includes visitors associated with annual wine auction events

Pursuant to the direction of the Board of Supervisors that winery comparisons are only one element to be evaluated by the commission, we believe that it addresses both the equity issue and precedent-setting considerations. We think the table up clearly demonstrates that our request is well in line with other wineries in comparable locations. As important, even at the visitation levels proposed on August 1<sup>st</sup>, all technical studies and PBES staff have concluded that the project as then proposed would not have any individual or cumulatively significant impacts on the environment. Reducing these levels as suggested by the commission will further reduce potential impacts on traffic, water usage and wastewater treatment and disposal.

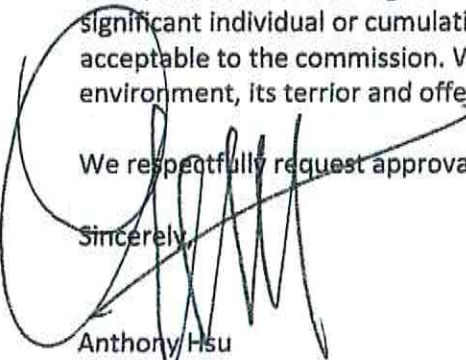
## Conclusion

While not the result we had hoped for on August 1<sup>st</sup>, the continuance provided us with an opportunity to review our short and long term objectives for the property. In hindsight, a lot of information was presented at the August 1<sup>st</sup> meeting some of which was a bit confusing. We appreciate the opportunity to provide some additional information and clarification on grape sourcing and marketing.

We hope we have demonstrated that our production goals are reasonable and attainable using estate-grown fruit, fruit available from other Napa County and out of county sources. We have significantly reduced our marketing program to better conform to unique property, its location and more in line with comparable wineries identified by county staff. In addition the project as designed is consistent with the WDO, and even at the August 1<sup>st</sup> visitation levels the project will have no significant or potentially significant individual or cumulative impacts on the environment. We hope that our project as revised is acceptable to the commission. We look forward to sharing the unique history of the Chiles Valley environment, its terroir and offer our neighbors another opportunity to process locally grown grapes.

We respectfully request approval of our revised project,

Sincerely,



Anthony Hsu  
CEO  
Maxville Lake Winery

CC: Jason Hade, Planning, Building and Environmental Services

## Attachments:

- Exhibit A—Long Range Plan for Redevelopment and Development of New Acreage
- Exhibit B—2016-2017 Grapes Sourced by Maxville Lake Winery, Inc. (Non-Estate Grown Grape Suppliers)



1) Redevelopment includes blocks 1 through 20. Re-use development includes sections 1, 3, 5 and 16 (as per Anthonia maps) and updated to not occur as per Bill Lincoln's maps and the Study of 2017.

LONG RANGE PLAN FOR DEVELOPMENT OF NEW ACREAGE

SECTION	Subsect	Building	Current	Future	Current	Future	Realistically	Future	Production	Future	Year Planned	GRAFTED	Plant	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
1	Follow	Observed	140R	4x7	2	2	2	4x7	0	0	2017	0	2020	0	0	0	0	0	1.5	3.0	4.0	4.0	7	
2	Follow	Observed	140R	4x7	2	10	10	4x7	0	0	2017	0	2020	0	0	0	0	0	3	6	8	8	8	
3	Follow	Observed	140R	4x7	2	2	2	4x7	0	0	2017	0	2020	0	0	0	0	0	0	0	0	0	0	
4	Follow	Observed	140R	4x7	2	0	0	4x7	0	0	2017	0	2020	0	0	0	0	0	2	2	3	4	4	
5	Follow	Observed	140R	4x7	2	1	1	4x7	0	0	2017	0	2020	0	0	0	0	0	3	5	8	8	8	
6	Follow	Observed	140R	4x7	2	2	2	4x7	0	0	2017	0	2020	0	0	0	0	0	8	15	20	20	20	
7	Follow	Observed	140R	4x7	2	5	5	4x7	0	0	2017	0	2020	0	0	0	0	0	21	42	55	55	55	
8	Follow	Observed	110R	4x7	14	14	14	4x7	0	0	2018	0	2020	0	0	0	0	0	0	0	0	0	0	
9	Follow	Observed	110R	4x7	1	1	1	4x7	0	0	2018	0	2020	0	0	0	0	0	2	2	3	4	4	
10	Follow	Observed	140R	4x7	2	1	1	4x7	0	0	2018	0	2020	0	0	0	0	0	0	0	0	0	0	
11	Follow	Observed	140R	4x7	2	1	1	4x7	0	0	2018	0	2020	0	0	0	0	0	0	0	0	0	0	
12	Follow	Observed	339	4x7	4	4	4	4x7	0	0	2018	0	2020	0	0	0	0	0	6	12	15	15	16	
13	Follow	Observed	GRN-1	4x7	4	4	4	4x7	0	0	2018	0	2020	0	0	0	0	0	4	8	10	15	16	
14	Follow	Observed	GRN-1	4x7	4	4	4	4x7	0	0	2018	0	2020	0	0	0	0	0	5	9	12	12	12	
BLOCK 21	Follow	Observed	GRN-1	4x7	3	3	3	4x7	0	0	2018	0	2020	0	0	0	0	0	7	14	19	19	19	
16	Follow	Observed	GRN-1	4x7	4	4	4	4x7	0	0	2018	0	2020	0	0	0	0	0	7	14	19	19	19	
													TOTAL REDEVELOPMENT & DEVELOPMENT	239	271	255	279	372	489	604	604	604	604	604

LONG RANGE PLAN FOR DEVELOPMENT OF NEW ACREAGE



Exhibit B

= Vendor Total Tons for a specific county

= County Total Tons

2016-2017 Grapes Sourced by Maxville Lake Winery, Inc.

No.	Receipt Date	Receiving Location Code	Lot No.	County	Vendor No.	Vendor Description	Total Pounds	Total Tons
GWT10019	9/6/16	MLW-BOND	16CSBAR008	CONTRA-COSTA	V3208	Barabi Nassrin	1,228.	0.6140
							<b>TOTAL TONS CONTRA-COSTA</b>	<b>0.6140</b>
GWT10009	8/23/16	MLW-BOND	16SBBRR003	LAKE C	V3048	Marek Lechowski CC	19,074.	9.5370
GWT10071	9/1/17	MLW-BOND	17SBBRR005	LAKE C	V3048	Marek Lechowski CC	11,000.	5.5000
GWT10072	9/1/17	MLW-BOND	17SBBRR005	LAKE C	V3048	Marek Lechowski CC	10,684.	5.3420
							<b>TOTAL TONS LAKE COUNTY</b>	<b>20.3790</b>
GWT10113	10/26/17	MLW-BOND	17CFLAK036	LAKE C	V3184	Beckstoffer Vineyards	8,943.	4.4715
GWT10119	11/1/17	MLW-BOND	17CSLAK041	LAKE C	V3184	Beckstoffer Vineyards	7,699.	3.8495
GWT10120	11/1/17	MLW-BOND	17CSLAK042	LAKE C	V3184	Beckstoffer Vineyards	7,699.	3.8495
							<b>TOTAL TONS LAKE COUNTY</b>	<b>12.1705</b>
GWT10016	9/6/16	MLW-BOND	16PNCER007	MENDO	V3207	Kosta Brown	4,204.	2.1020
GWT10015	9/1/16	MLW-BOND	16PNHAW005	MENDO	V3206	Johnson Family	6,396.	3.1980
GWT10074	9/4/17	MLW-BOND	17PNHAW007	MENDO	V3206	Johnson Family	8,803.	4.4015
							<b>TOTAL TONS MENDOCINO COUNTY</b>	<b>7.5995</b>
GWT10123	11/3/17	MLW-BOND	17TPACU046	NAPA	V3346	Acumen Wines	11,818.	5.9090
GWT10126	11/3/17	MLW-BOND	17ZNACU045	NAPA	V3346	Acumen Wines	8,751.	4.3755
GWT10121	11/2/17	MLW-BOND	17CSACU044	NAPA	V3346	Acumen Wines	20,288.	10.1440
							<b>TOTAL TONS NAPA COUNTY</b>	<b>20.4285</b>
GWT10035	9/23/16	MLW-BOND	16MEAMID20	NAPA	V3184	Beckstoffer Vineyards	50,837.	25.4185
GWT10086	10/1/17	MLW-BOND	17CFBEN014	NAPA	V3336	Bennett Vineyard	2,835.	1.4175
GWT10096	10/14/17	MLW-BOND	17CSBEN024	NAPA	V3336	Bennett Vineyard	2,658.	1.3290
							<b>TOTAL TONS NAPA COUNTY</b>	<b>2.7465</b>
GWT10070	9/1/17	MLW-BOND	17SBCAL004	NAPA	V3327	Coquerel Wine Consulting LLC	21,395.	10.6975
GWT10087	10/6/17	MLW-BOND	17PSCAL016	NAPA	V3327	Coquerel Wine Consulting LLC	16,485.	8.2425
							<b>TOTAL TONS NAPA COUNTY</b>	<b>18.9400</b>
GWT10056	10/9/16	MLW-BOND	16CSDID036	NAPA	V3046	Phillippe Langer	30,748.	15.3740
GWT10099	10/17/17	MLW-BOND	17CSDID027	NAPA	V3046	Phillippe Langer	39,154.	19.5770
GWT10018	9/6/16	MLW-BOND	16CSKIT009	NAPA	V3046	Phillippe Langer	7,914.	3.9570
GWT10029	9/19/16	MLW-BOND	16CSKIT015	NAPA	V3046	Phillippe Langer	3,923.	1.9615
GWT10036	9/23/16	MLW-BOND	16CSVLX021	NAPA	V3046	Phillippe Langer	480.	0.2400
GWT10045	10/1/16	MLW-BOND	16CSKIT025	NAPA	V3046	Phillippe Langer	4,492.	2.2460
GWT10065	10/14/16	MLW-BOND	16CSKIT045	NAPA	V3046	Phillippe Langer	4,921.	2.4605
GWT10066	10/14/16	MLW-BOND	16CSKIT046	NAPA	V3046	Phillippe Langer	9,031.	4.5155
GWT10089	10/6/17	MLW-BOND	17CSKIT017	NAPA	V3046	Phillippe Langer	3,699.	1.8495
GWT10114	10/25/17	MLW-BOND	17CSKIT037	NAPA	V3046	Phillippe Langer	6,879.	3.4395
GWT10051	10/8/16	MLW-BOND	16CSUP031	NAPA	V3046	Phillippe Langer	6,040.	3.0200
GWT10102	10/18/17	MLW-BOND	17CSUP030	NAPA	V3046	Phillippe Langer	9,295.	4.6475
GWT10059	10/10/16	MLW-BOND	16CSVLX039	NAPA	V3046	Phillippe Langer	10,060.	5.0300
							<b>TOTAL TONS NAPA COUNTY</b>	<b>68.3180</b>
GWT10044	10/1/16	MLW-BOND	16CSEAK024	NAPA	V3183	Eakle Vineyards	18,493.	9.2465
GWT10050	10/6/16	MLW-BOND	16CSEAK030	NAPA	V3183	Eakle Vineyards	43,071.	21.5355
							<b>TOTAL TONS NAPA COUNTY</b>	<b>30.7820</b>
GWT10078	10/1/17	MLW-BOND	17CSCAL009	NAPA	V3328	Galassi Vineyard LLC	7,797.	3.8985
GWT10079	10/1/17	MLW-BOND	17CSCAL010	NAPA	V3328	Galassi Vineyard LLC	8,870.	4.4350
							<b>TOTAL TONS NAPA COUNTY</b>	<b>8.3335</b>
GWT10022	9/19/16	MLW-BOND	16MAKUL012	NAPA	V3195	The Capra Company	4,696.	2.3480
GWT10023	9/19/16	MLW-BOND	16MAKUL012	NAPA	V3195	The Capra Company	1,028.	0.5140
GWT10024	9/19/16	MLW-BOND	16MAKUL012	NAPA	V3195	The Capra Company	933.	0.4665
GWT10025	9/19/16	MLW-BOND	16MAKUL012	NAPA	V3195	The Capra Company	3,052.	1.5260
GWT10026	9/19/16	MLW-BOND	16MAKUL012	NAPA	V3195	The Capra Company	1,353.	0.6765
GWT10027	9/19/16	MLW-BOND	16MEKUL014	NAPA	V3195	The Capra Company	2,192.	1.0960
GWT10028	9/19/16	MLW-BOND	16PVKUL013	NAPA	V3195	The Capra Company	1,667.	0.8335
GWT10030	9/23/16	MLW-BOND	16CFKUL018	NAPA	V3195	The Capra Company	3,121.	1.5605
GWT10031	9/23/16	MLW-BOND	16CFKUL018	NAPA	V3195	The Capra Company	1,997.	0.9985

= Vendor Total Tons for a specific county

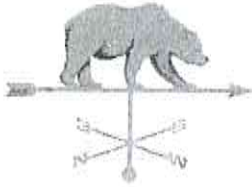
= County Total Tons

## 2016-2017 Grapes Sourced by Maxville Lake Winery, Inc.

No.	Receipt Date	Receiving		County	Vendor		Total Pounds	Total Tons
		Location Code	Lot No.		No.	Vendor Description		
GWT10032	9/23/16	MLW-BOND	16CSKUL019	NAPA	V3195	The Capra Company	1,692.	0.8460
GWT10033	9/23/16	MLW-BOND	16CSKUL019	NAPA	V3195	The Capra Company	2,398.	1.1990
GWT10034	9/23/16	MLW-BOND	16CSKUL019	NAPA	V3195	The Capra Company	3,271.	1.6355
GWT10037	9/28/16	MLW-BOND	16CSKUL022	NAPA	V3195	The Capra Company	6,388.	3.1940
GWT10038	9/28/16	MLW-BOND	16CSKUL022	NAPA	V3195	The Capra Company	1,827.	0.9135
GWT10039	9/28/16	MLW-BOND	16CSKUL023	NAPA	V3195	The Capra Company	2,565.	1.2825
GWT10040	9/28/16	MLW-BOND	16CSKUL023	NAPA	V3195	The Capra Company	1,514.	0.7570
GWT10049	10/6/16	MLW-BOND	16CSKUL029	NAPA	V3195	The Capra Company	8,529.	4.2645
								24.1115
GWT10062	10/12/16	MLW-BOND	16CSSAC042	NAPA	V3038	Sacrashe Household	8,291.	4.1455
GWT10092	10/12/17	MLW-BOND	17CSSAC019	NAPA	V3038	Sacrashe Household	6,974.	3.4870
								7.6325
GWT10046	10/5/16	MLW-BOND	16MACVV026	NAPA	V3050	Chiles Valley Vineyard	28,585.	14.2925
GWT10047	10/5/16	MLW-BOND	16CSB15027	NAPA	V3050	Chiles Valley Vineyard	12,452.	6.2260
GWT10060	10/12/16	MLW-BOND	16CSCVV040	NAPA	V3050	Chiles Valley Vineyard	36,488.	18.2440
GWT10061	10/12/16	MLW-BOND	16PVCVV041	NAPA	V3050	Chiles Valley Vineyard	22,243.	11.1215
								49.8840
GWT10116	10/23/17	MLW-BOND	17CSCVV032	NAPA	V3340	Yellow Alpha II, LLC	37,936.	18.9680
GWT10124	11/3/17	MLW-BOND	17CFCVV047	NAPA	V3340	Yellow Alpha II, LLC	3,879.	1.9395
GWT10125	11/3/17	MLW-BOND	17MECVV048	NAPA	V3340	Yellow Alpha II, LLC	3,603.	1.8015
								22.7090
						<b>TOTAL TONS NAPA COUNTY</b>		<b>279.3040</b>
GWT10111	10/23/17	MLW-BOND	17CSCHA033	SONOMA	V3339	Chappellet	39,546.	19.7730
GWT10112	10/24/17	MLW-BOND	17CSCHA034	SONOMA	V3339	Chappellet	43,123.	21.5615
								41.3345
GWT10017	9/6/16	MLW-BOND	16PNMAR006	SONOMA	V3044	Dutton Ranch	3,042.	1.5210
GWT10020	9/13/16	MLW-BOND	16PNMAR011	SONOMA	V3044	Dutton Ranch	973.	0.4865
GWT10076	9/5/17	MLW-BOND	17PNGMF013	SONOMA	V3044	Dutton Ranch	4,004.	2.0020
								4.0095
						<b>TOTAL TONS SONOMA COUNTY</b>		<b>45.3440</b>

Exhibit C  
Maxville Lake Winery Traffic Management Plan

- Shuttle Buses will be used to transport guests to all larger marketing events (75 guests and above);
- The on-site tasting room will be closed during larger marketing events;
- All marketing events will conclude before 3:30 pm or after 6:00 p.m. on weekdays to minimize outbound vehicle trips during evening peak hour;
- Employees will not exit the winery between 3:30 and 6:00 pm weekdays to minimize impacts to study intersections during evening weekday peak hour periods



## MAXVILLE LAKE Winery, Inc.

4105 Chiles Pope Valley Road Saint Helena, CA 94574  
www.maxvillelakewines.com

August 17, 2018

Jason Hade, Planner III  
Planning, Building and Environmental Services Department  
County of Napa  
1195 Third Street, suite 210  
Napa, CA. 94559

Re: Proposed Phasing Plan--Maxville Lake Winery Application #P17-00225. APN 025-020-023

Dear Mr. Hade:

Following up on our recent submittal that we believe confirms that we have access to sufficient grapes to support our request for the original 240,000 gallons of production. And as you realize, approval of a production increase does not immediately result in wineries reaching that level over night. And like other wineries of comparable size, we expect to phase in our production goals commensurate with both the growth of our estate-based planting and replanting program and sales programs. Due to cost of preparing application and related materials, locking in long-term non-estate fruit sources and efficiency of infrastructure installation, we like other wineries prefer to have our longer-range production goals approved on September 5, 2018. However, to better match our projected growth in estate fruit and sales, we are prepared to explicitly phase-in our production goals. To our knowledge the county staff and commission has not previously required an explicit phasing program for comparable wineries but relies instead upon its monitoring program and applicant's signed and binding commitments to comply with the 75% grape sourcing rules now in place.

To that end we propose the following:

1. We propose an initial approval to increase our approved gallonage from the current 1998 level of 59,000 gallons annually to 155,000 gallons. This production level would provide sufficient production for an initial 5 years, through 2024 when our replanted blocks and new planting come on line;
2. Production would be allowed to increase to 225,000 gallons (reduced from the original request of 240,000 gallons) in year 5 (2024), upon proof submitted to the County Zoning Administrator that planting of 49 additional acres at the MLW property has been completed;
3. We would retain the option of providing the Zoning Administrator with alternative Napa County fruit sources prior to 2024 for any increase in production beyond the initial 155,000 gallons requested;

4. All information regarding grape sources would be reported annually as the county currently requires. We request that all grape sourcing information be treated as confidential by the county;
5. Approval of our requested initial increase in production to 155,000 gallons annually would include approval, at our risk to install the necessary infrastructure to support the ultimate production level of 225,000 gallons

Our rationale for this explicit phasing plan and ultimate production levels proposed is as follows:

1. Using the 239 tons that MLW currently produces within its onsite vineyards; and
2. 279 tons of Napa County fruit purchased by MLW in 2016-2017
3. This translates into 85,470 gallons of Napa County fruit using 165 gallons per ton;
4. Add this to the ability to use/purchase 25% non Napa fruit will provide an additional 21,367 gallons (25% of 85,470) gives us the ability to produce right now 106,000 gallons and change;
5. When the newly planted and replanted vineyard blocks reach maturity in 2024, approximately 409 tons of MLW estate-grown fruit will be available to the winery or approximately 40% of the fruit required to fill out the long-term production goal of 225,000
6. Testimony will be provided by our vineyard manager, Paul Garvey as to the availability of Napa County and non-Napa fruit to fill out our interim and long-range production goals;
7. The initial production level of 155,000 gallons supports the winery's 5-year growth plan and represents a very conservative growth year over year at 10% compounded annually;
8. In addition to the availability of fruit to fill out both interim and longer term production goals, MLW would provide a local production facility for local growers in Chiles Valley to process fruit grown within the Chiles Valley AVA which now has over 1000 vine acres planted;
9. MLW has the national and overseas distribution system in place to market the wines that it produces.

In summary, we hope we have demonstrated that our production goals are reasonable and attainable and in line with the existing and projected growth of estate-grown fruit, and the current and future availability of Napa County and out of county fruit sources. MLW has a sound business plan in place to support the interim and longer-range production goals outlined above. We have both the national and international distribution systems in place to marketing wines produced at MLW. The fact that MLW has an international presence in the market is a benefit to the Napa Valley wine induction as it will increase exposure of Napa Valley wines in general and those from Chiles Valley. Finally, the project as designed is consistent with the WDO; all potential impacts of the project will result in less than significant individual and cumulative impacts on the environment. We hope that our project as revised is acceptable to the commission. We look forward to sharing the unique history of the Chiles Valley environment, its terrior and offer our neighbors another opportunity to process locally grown grapes.

We respectfully request approval of our revised project,

Sincerely,

Anthony Hsu for Maxville Lake Winery